

STATE AND LOCAL RATE AGREEMENT

EIN #: 1746000182

DATE: July 28, 1998

DEPARTMENT/AGENCY:
Texas Department of Health
1100 West 49th Street
Austin

TX 78756-3199

FILING REF.: The preceding
Agreement was dated
June 11, 1997

The rates approved in this agreement are for use on grants, contracts and other agreements with the Federal Government, subject to the conditions in Section III.

SECTION I: INDIRECT COST RATES*

RATE TYPES: FIXED		FINAL	PROV. (PROVISIONAL)	PRED. (PREDETERMINED)	
TYPE	EFFECTIVE PERIOD		RATE (%)	LOCATIONS	APPLICABLE TO
	FROM	TO			
FIXED	09/01/96	08/31/97	8.7	Austin Office	All Programs
FIXED	09/01/96	08/31/97	19.3	Reg Offices	All Programs
FIXED	09/01/96	08/31/97	66.4	Hospitals	All Programs
FIXED	09/01/96	08/31/97	4.1	Local Health	All Programs
FIXED	09/01/97	08/31/98	7.8	Austin Office	All Programs
FIXED	09/01/97	08/31/98	16.3	Reg Offices	All Programs
FIXED	09/01/97	08/31/98	76.4	Hospitals	All Programs
FIXED	09/01/97	08/31/98	2.8	Local Health	All Programs
FIXED	09/01/98	08/31/99	8.1	Austin Office	All Programs
FIXED	09/01/98	08/31/99	17.6	Reg Offices	All Programs
FIXED	09/01/98	08/31/99	68.6	Hospitals	All Programs
FIXED	09/01/98	08/31/99	3.8	Local Health	All Programs
PROV.	08/31/99	UNTIL AMENDED	Use same rates and conditions as those cited for fiscal year ending August 31, 1999.		

The Base for the Health Department is total direct costs excluding: Capital expenditures (individual items of equipment or capitalized construction or renovation projects).

WIC food costs.

Subgrant/Subcontract amounts in excess of first \$25,000 per document.

All costs of the Disproportionate Share Program.

All client service costs (Title XIX) paid through the contractual arrangement with NHIC.

95% of client service costs (Title XX) of the Vendor Drug and the Family Planning Programs paid through the contractual arrangement with TDHS.

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SECTION II: SPECIAL REMARKS

TREATMENT OF FRINGE BENEFITS:

The organization uses fringe benefit rates(s) for estimating direct fringe benefit costs in grant applications and contract proposals. For final reporting, the cost of each benefit is specifically: (i) identified to each employee and (ii) claimed on individual awards. The current rate used for estimating purposes is listed below. This estimated fringe benefit rate includes all fringe benefits treated as direct costs.

TREATMENT OF PAID ABSENCES:

Vacation, holiday, sick leave pay and other paid absences are included in salaries and wages and are claimed on grants, contracts and other agreements as part of the normal cost for salaries and wages. Separate claims for the costs of these paid absences are not made.

Equipment Definition -

Equipment means an article of nonexpendable, tangible personal property having a useful life of more than one year and an acquisition cost of \$5,000 or more per unit. Effective September 1, 1997, the definition of equipment will revert to an Article of tangible personal property having a useful life of more than one year and an acquisition cost of \$1,000 or more per unit.

FRINGE BENEFITS:

FICA
Retirement
Worker's Compensation
Unemployment Insurance
Health Insurance

The fringe benefit rate for estimating purposes is 22.3%.

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SECTION III: GENERAL

A. LIMITATIONS:

The rates in this Agreement are subject to any statutory or administrative limitations and apply to a given grant, contract or other agreement only to the extent that funds are available. Acceptance of the rates is subject to the following conditions: (1) Only costs incurred by the organization were included in its indirect cost pool as finally accepted; such costs are legal obligations of the organization and are allowable under the governing cost principles; (2) The same costs that have been treated as indirect costs are not claimed as direct costs; (3) Similar types of costs have been accorded consistent accounting treatment; and (4) The information provided by the organization which was used to establish the rates is not later found to be materially incomplete or inaccurate by the Federal Government. In such situations the rate(s) would be subject to renegotiation at the discretion of the Federal Government.

B. ACCOUNTING CHANGES:

This Agreement is based on the accounting system purported by the organization to be in effect during the Agreement period. Changes to the method of accounting for costs which affect the amount of reimbursement resulting from the use of this Agreement require prior approval of the authorized representative of the cognizant agency. Such changes include, but are not limited to, changes in the charging of a particular type of cost from indirect to direct. Failure to obtain approval may result in cost disallowances.

C. FIXED RATES:

If a fixed rate is in this Agreement, it is based on an estimate of the costs for the period covered by the rate. When the actual costs for this period are determined, an adjustment will be made to a rate of a future year(s) to compensate for the difference between the costs used to establish the fixed rate and actual costs.

D. USE BY OTHER FEDERAL AGENCIES:

The rates in this Agreement were approved in accordance with the authority in Office of Management and Budget Circular A-87 Circular, and should be applied to grants, contracts and other agreements covered by this Circular, subject to any limitations in A above. The organization may provide copies of the Agreement to other Federal Agencies to give them early notification of the Agreement.

E. OTHER:

If any Federal contract, grant or other agreement is reimbursing indirect costs by a means other than the approved rate(s) in this Agreement, the organization should (1) credit such costs to the affected programs, and (2) apply the approved rate(s) to the appropriate base to identify the proper amount of indirect costs allocable to these programs.

BY THE DEPARTMENT/AGENCY:

Texas Department of Health

Texas Department of Health

(DEPARTMENT/AGENCY)

(SIGNATURE)

Sidney Shelton

(NAME)

Bureau Chief for Financial Services

(TITLE)

August 5, 1998

(DATE)

BY THE COGNIZANT AGENCY

ON BEHALF OF THE FEDERAL GOVERNMENT:

DEPARTMENT OF HEALTH AND HUMAN SERVICES

(AGENCY)

(SIGNATURE)

Merle M. Schmidt

(NAME)

DIRECTOR, DIVISION OF COST ALLOCATION

(TITLE)

July 28, 1998

(DATE) 0261

HHS REPRESENTATIVE: J.L. Myers

Telephone: (214) 767-3529